



Department of Justice

FOR IMMEDIATE RELEASE
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CAPSTAR TERMINATES CONTRACT TO ACQUIRE RADIO STATION IN CEDAR RAPIDS, IOWA TO ALLEVIATE ANTITRUST CONCERNS

WASHINGTON, D.C. -- The Department of Justice today cleared Capstar Acquisition Company Inc.'s acquisition of a Cedar Rapids, Iowa radio station from KRNA Inc., after Capstar terminated a contract to acquire an additional Cedar Rapids-area radio station from KRNA.

Capstar had planned to acquire two radio stations from KRNA, KRNA-FM and KXXM-FM. Without the termination of the sales contract for KXXM-FM, Capstar's acquisition would have given Capstar five of 12 radio stations in the Cedar Rapids radio market. Last year, these five stations accounted for more than 49 percent of the radio advertising revenues in the Cedar Rapids market. Capstar terminated its contract to acquire KXXM-FM in order to address the competitive concerns expressed by the Department.

"Capstar's termination of the contract to purchase KXXM-FM will ensure that radio advertisers will continue to have the benefits of competition," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "The settlement preserves the choices available to Cedar Rapids advertisers, making it unnecessary for the Department to initiate an enforcement action."

As a result of this acquisition, Capstar will operate four stations, KRNA-FM, KHAK-FM, KTOF-AM, and KDAT-FM, in the Cedar Rapids radio market.

Capstar Acquisition Company Inc. is a sister company of Central Star Communications Inc., a regional operating company of Capstar Broadcasting Corporation. Capstar Broadcasting Corporation is headquartered in Austin, Texas and owns approximately 300 radio stations in 75 U.S. cities. Its 1997 net revenues were approximately \$569 million.

KRNA, headquartered in Cedar Rapids, Iowa, had revenues in 1997 of approximately \$2.1 million.

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